

What's at Stake for North Dakota?

North Dakota is an important producer of agricultural products and a major exporter. In 1997, it ranked 19th among all 50 states in the value of its agricultural exports. Despite a sharp downturn in sales, the state's exports reached an estimated \$1.1 billion. Adverse weather in the Northern Plains severely limited 1997 spring wheat exports. Despite reduced sales, exports helped boost farm prices and income, while supporting about 14,000 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are important to North Dakota's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports varied from 32-51% since 1991.

The top five agricultural exports in 1997 were:

- # wheat and products -- \$459 million
- # feed grains and products -- \$152 million
- # sunflower seed and oil -- \$128 million
- # vegetables and preparations -- \$102 million
- # soybeans and products -- \$95 million

World demand for these products is increasing, but so is competition among suppliers. If North Dakota's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

North Dakota Producers Benefit from Trade Agreements

North Dakota is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for North Dakota include:

- # North Dakota, the nation's largest wheat producer, benefits under the Uruguay Round from a 33% reduction in the quantity of EU wheat receiving export subsidies by 2000. Japan is expanding its 5,530,000 ton tariff-rate quota by 35,000 tons annually from 1995 to 2000.
- # The nation's leading sunflower grower, North Dakota benefits under the Uruguay Round from a 50% reduction in Japan's tariffs and a 40% reduction in Korea's tariffs on sunflower oil.
- # North Dakota benefits from the Uruguay Round with a 38% reduction in the quantity of EU beef receiving export subsidies by 2000. Japan is reducing beef tariffs from 50% to 38.5%. Korea will eliminate its beef import quota by 2001 and reduce its tariffs to 40% by 2004, and the Philippines is reducing its beef tariff from 60% to 35% by 2004. Under NAFTA, Mexico eliminated its 15% tariff on live slaughter animals, its 20% tariff on U.S. chilled beef, and its 25% tariff on frozen product. Its 20% tariff on beef offal will be eliminated by 2004.

